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UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,

Plaintiff,

DOCKET NO. 1:18-cr-226

vs.

NING XI,

Defendant.

/

EXCERPT TRANSCRIPT FROM VOLUME II OF JURY TRIAL

TESTIMONY OF BRUCE FOWLER

BEFORE THE HONORABLE ROBERT J. JONKER, CHIEF JUDGE

GRAND RAPIDS, MICHIGAN

June 19, 2019

Court Reporter:

Glenda Trexler
Official Court Reporter
United States District Court
685 Federal Building
110 Michigan Street, N.W.
Grand Rapids, Michigan 49503

Proceedings reported by stenotype, transcript produced by
computer-aided transcription.

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Grand Rapids, Michigan

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June 19, 2019

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EXCERPT OF PROCEEDINGS

4

MR. FRANK: The United States calls Special Agent
Bruce Fowler, FBI. For the record, Your Honor, we'll be
re-calling Agent Fowler later on in our proofs as well.

7

THE COURT: All right.

8

BRUCE FOWLER

9

(The oath was administered)

10

THE WITNESS: I do.

11

THE CLERK: Thank you.

12

THE COURT: Mr. Fowler is going to be one of the
people who can stay in the room because he's the case agent for
the government which is like the party in the case.

15

And the other thing about this witness is that you're
going to hear him later in the case too. The government and
the defense and I have consulted and agreed that Mr. Fowler can
break up his testimony. He's got a lot to talk about, but it
will be more intelligible, the parties think, for you if he
does it in two separate bites. This first bite will be a
pretty short one, and then it will be up to the defense to
decide how much, if anything, they want to cross-examine the
agent now, or maybe they just want to wait until later for
their cross when we've heard the rest of what this witness has
to say.

1 But we'll begin with whatever questions you have for
2 the witness now.

3 *MR. FRANK:* Thank you, Your Honor.

4 DIRECT EXAMINATION

5 *BY MR. FRANK:*

6 Q. You are a special agent with the FBI?

7 A. Yes, that's right.

8 Q. How long have you been with the Bureau?

9 A. About eight years.

10 Q. And you're assigned to the Lansing office of the
11 Detroit Division?

12 A. Yes, that's right.

13 Q. And were you the lead investigator in this case?

14 A. Yes, I was.

15 Q. In early 2015 did you begin looking into Dr. Xi's
16 activities as an MSU professor specifically with respect to his
17 finances?

18 A. Yes.

19 Q. And what is Dr. Xi's position -- well, at that time where
20 and how was Dr. Xi employed?

21 A. He was a distinguished professor in the Department of
22 Electrical and Computer Engineering at Michigan State
23 University.

24 Q. And was one of the first steps in your investigation to
25 subpoena financial records of his from Michigan State

1 University Federal Credit Union?

2 A. Yes, it was.

3 Q. And just for the sake of the court reporter, I'll just
4 start referring to that as MSU FCU.

5 When you obtained those records did anything strike you as
6 unusual right off the bat?

7 A. Yes. The first thing that I noticed were a large amount
8 of check deposits from IEEE totaling several hundreds of
9 thousands of dollars.

10 Q. Did you also see income coming in from MSU?

11 A. I did. That also struck me as odd because I knew Dr. Xi
12 was on sabbatical leave from MSU beginning in 2011 until 2012,
13 and then he entered a leave-without-pay phase from 2012 until
14 approximately mid 2014. So I saw well over a hundred thousand
15 dollars being deposited from MSU during that time.

16 Q. Now, you mentioned IEEE. The jury has heard about that in
17 opening statements, but there's nothing in evidence about it
18 yet. IEEE is an acronym. What does it stand for?

19 A. The Institute of Electrical and Electronics Engineers.

20 Q. What sort of organization is that?

21 A. It's a giant organization composed of engineers from all
22 over the world, several hundred thousand engineers, and one of
23 the primary charters of IEEE is to put on conferences,
24 sometimes up to 1,700 conferences in one year, all over the
25 world.

1 Q. So then IEEE is a professional organization with worldwide
2 reach?

3 A. Yes, that's right.

4 Q. Looking at those financial records did you see anything
5 that struck you as interesting with respect to payments to
6 American Express and Chase credit card accounts?

7 A. Yes. When reviewing the documents at MSU FCU, I noticed
8 almost every month ranging from \$10,000 payments up to more
9 than \$50,000 payments per month to credit card statements.

10 Q. Of those two entities, AmEx, American Express, and Chase?

11 A. Primarily American Express and J.P. Morgan Chase, yes.

12 Q. Did you then obtain through the legal process the records
13 for those credit card issuers?

14 A. I did.

15 Q. And did you examine the sorts of charges that were on
16 those cards?

17 A. Yes, I did.

18 Q. What sort of pattern, if any, did you see?

19 A. The first thing that jumped out to me really was a
20 constant stream of international travel. I saw purchases from
21 all over the world that were really never-ending. It appeared
22 as though Dr. Xi would travel from one country to another to
23 another to another almost in a constant pattern. Oftentimes I
24 would see very expensive purchases for dinners. Three, four
25 thousand dollars. I saw a substantial amount of airfare

1 purchases. Oftentimes many of those would be purchased and
2 then refunded and I would see the refund go back on the
3 credit card for the exact same price.

4 Q. In the course of your investigation did you determine
5 whether Dr. Xi is a member of IEEE and if so if he had any
6 special rank, for lack of a better term, within the
7 organization?

8 A. Yes. I determined that IEEE -- that Dr. Xi rather was a
9 fellow at IEEE, which is a very prestigious rank within that
10 organization.

11 Q. What, if anything, did you learn about his activities with
12 respect to conferences that were hosted by IEEE?

13 A. Dr. Xi was the general chair which is the primary person
14 in charge of setting up these conferences, and he had set up
15 multiple conferences for IEEE dating back to 2005 through 2015.

16 Q. And when conferences were set up, are bank accounts
17 established for each conference under the auspices of IEEE?

18 A. Yes, that's right.

19 Q. And who has check-writing authority on those conference
20 accounts?

21 A. Typically only two individuals would have check-writing
22 authority, the general chair and the treasurer for the
23 conference.

24 Q. Now backing up to the MSU payments that you saw that had
25 gone into the account while he was not in an MSU pay status, in

1 China, did you start digging into what the basis of those
2 payments was?

3 A. I did. Ultimately I was able to determine that the
4 payments I was seeing deposited into the MSU FCU account from
5 MSU were travel reimbursement payments.

6 Q. And did you obtain claims records that had been submitted
7 to produce those payments?

8 A. I did.

9 Q. That is claims -- I said claims records. Records of
10 claimed -- travel claims that had been submitted to MSU.

11 A. Yes, I did.

12 Q. And when you examined those records, what, if anything,
13 did you see with respect to claimed air travel?

14 A. When I began examining the airfare, which accounted for
15 the vast majority of the reimbursement expense, I would look at
16 the credit card statements because the airfare receipts would
17 identify the type of payment. So oftentimes it would say
18 American Express ending 3009. I would then pull up the
19 American Express 3009 statements and I would attempt to find
20 the ticket number or the price of the flight. Oftentimes I
21 could not find that or I would see that that flight was
22 purchased and then almost immediately refunded.

23 Q. At about the same time did you start obtaining records
24 from IEEE?

25 A. Yes.

1 Q. Now, the term -- I think both defense and I used the term
2 RAS, and then the defense also brought up an acronym NTC with
3 respect to IEEE. What does RAS refer to?

4 A. RAS is the Robotics and Automation Society. So it is a
5 society under the umbrella of IEEE. It's a part of IEEE.

6 Q. Okay. And what is NTC?

7 A. NTC is the Nanotechnology Council. It's comprised of
8 several societies. RAS is one of those that comprises NTC.

9 Q. Did you obtain RAS -- or rather quote-unquote expense
10 reports that had been submitted to RAS and NTC?

11 A. Yes, I did.

12 Q. Who had submitted those expense reports?

13 A. Dr. Xi had submitted those.

14 Q. And what is the nature of these documents, the expense
15 reports?

16 A. Those were also travel reimbursements.

17 Q. Travel reimbursement claims?

18 A. Travel reimbursement claims, yes.

19 Q. And what did you see with respect to international airfare
20 itineraries in the claims that have been submitted to RAS and
21 NTC?

22 A. A substantial amount included at least one international
23 airfare.

24 Q. Did you obtain checks that -- well, let's back up for a
25 second. We already talked about how -- you talked about how

1 each conference would have its own bank account. Did you
2 obtain checks that had been written on conference accounts for
3 conferences that had been chaired by Dr. Xi?

4 A. Yes.

5 Q. And what did you find there?

6 A. Initially I found that the checks that I had seen
7 deposited from IEEE into Dr. Xi's MSU FCU account, the checks
8 themselves would identify the conference that the check was
9 written from. For instance, there was in 2009 a conference
10 called IROS based in St. Louis, so the check -- there would be
11 a suite of checks that would say "IROS 2009" on the top. So I
12 could determine that those checks belonged to that conference.

13 Another example would be the ICRA 2014 conference that
14 we'll be talking about a lot, and that would say "ICRA 2014" at
15 the top, so I know that check belonged to that conference.

16 Q. And was there a pattern, if any, with respect to who was
17 writing those checks?

18 A. Yes. Every check from an IEEE conference account was
19 signed by Weihua Sheng.

20 Q. And where were those checks deposited?

21 A. They were all deposited into Dr. Xi's MSU FCU account.

22 Q. And to whom were all those checks made out?

23 A. They were all made out to Dr. Xi.

24 Q. And were these all endorsed on the back with a signature
25 that appeared to you to be that of Dr. Xi?

1 A. Yes, they were.

2 Q. Did you learn that IEEE had had an external audit
3 performed on this ICRA 2014 conference?

4 A. I did, yes.

5 Q. And ICRA -- I don't think it's in the record yet -- stands
6 for International Conference on Robotics and Automation?

7 A. That's right.

8 Q. Where and when was that conference held?

9 A. The first week of June 2014 in Hong Kong.

10 Q. How many checks did you see written from the ICRA 2014
11 conference to Dr. Xi?

12 A. 27, I believe.

13 Q. And what was the total amount?

14 A. \$470,000 plus. So 470,139, I believe.

15 Q. You mentioned that the -- they were all signed by
16 Weihua Sheng. Who is this gentleman?

17 A. Weihua Sheng was the treasurer for all of the conferences
18 that we looked at in this case, IROS 2009, ICRA 2014. We'll
19 mention some more later on. Weihua Sheng also received his
20 Ph.D. under the supervision of Dr. Xi at MSU, and Weihua Sheng
21 is now a professor at Oklahoma State University.

22 Q. At some point in your investigation did you obtain a box
23 of receipts from IEEE that had been submitted to Weihua Sheng
24 with respect to the ICRA 2014 conference?

25 A. I did, in the summer of 2017.

1 Q. And with respect to the claims for reimbursement for air
2 travel what did you find in the box?

3 MR. SAFER: I object to the characterization of that,
4 Your Honor.

5 THE COURT: Why don't you rephrase it so that the
6 witness can describe what he saw or what -- how he would use
7 it.

8 Q. (BY MR. FRANK) Did you find what appeared to be airfare
9 itineraries in the ICRA 2014 box?

10 A. I did.

11 Q. And how would you describe those, just very general
12 description, those air itineraries?

13 A. The air itineraries were very similar to those that I had
14 seen from MSU travel reimbursements, and at that point because
15 I was obtaining so many travel reimbursements that included
16 international travel, I created a spreadsheet that would track
17 the submissions to MSU, the travel submissions to IEEE, and the
18 travel submissions to RAS and NTC so I could chronologically
19 look at the flights that were submitted in support of each
20 reimbursement to each agency.

21 Q. Okay. So you've got the MSU documents, the RAS documents,
22 the ICRA 2014 documents, and you've charted it out?

23 A. Yes.

24 Q. Did you identify any patterns with respect to the airfare
25 itineraries that were included -- well, that you had examined?

1 A. Yes, there were several patterns. The first would be I
2 identified several flight itineraries that had the same ticket
3 number but the itinerary would be different.

4 Next I identified several of the exact same itinerary that
5 was submitted to both MSU and IEEE. I also, when I looked at
6 the ticket numbers for each of the documents and looked at the
7 credit card record, I saw the same pattern that I had seen
8 previously where a ticket would be purchased, canceled, and
9 refunded, a ticket would not appear at all on a credit card
10 statement, or a ticket would appear but the cost of the ticket
11 was substantially lower or the dates of the travel were
12 different than what appeared on the flight itinerary.

13 Q. You mentioned the cost of the ticket being lower. Lower
14 than what? The cost of the ticket from the third-party records
15 being lower. Lower than what?

16 A. Lower than the amount on the flight receipt that was
17 submitted by Dr. Xi either to MSU or IEEE.

18 Q. What, if anything, did you see with respect to dates and
19 locations of claimed travel?

20 A. Oftentimes I would see overlapping dates and locations of
21 travel. For instance, I would see one flight leaving -- and
22 I'll just make up a date -- on September 6th, flying from
23 Detroit to Hong Kong, and I would see a different flight, a
24 different ticket number also leaving Detroit traveling to a
25 different city and ending up in Japan on the exact same day.

1 Q. At some point in the investigation did you obtain airline
2 records from air carriers?

3 A. I did, yes.

4 Q. Any carriers in particular?

5 A. Yes, primarily United, Lufthansa, and Delta. It appeared
6 to me in the investigation that the vast majority of the travel
7 reimbursements involved those air carriers. United and Delta
8 in particular. We also obtained the records that Orbitz had in
9 addition to those.

10 Q. Did you start comparing the air itineraries that had been
11 submitted against airline records?

12 A. I did. What I saw largely substantiated what was on the
13 spreadsheet and what had been identified as overlapping
14 airfare. The air carrier's records often would say that a
15 particular ticket number did not exist in their system for
16 Dr. Xi or it would provide the actual document for a given
17 ticket number that would not correspond with the flight
18 itinerary that was submitted to either MSU or IEEE.

19 And in addition to that, sometimes I would see the airfare
20 was lower than what was submitted on the reimbursement claim
21 and oftentimes it would be as low as five, 10, or \$15, which to
22 me would indicate that miles had been used potentially and that
23 was some type of service fee or something.

24 Q. But, for instance, where you would see a service fee on
25 more than one occasion, what was the -- was the amount that was

1 claimed or submitted more consistent with full fare?
2 A. Yes, absolutely. The fare, for instance, that was
3 submitted to IEEE or MSU would be approximately \$2,000, but the
4 actual ticket amount would be \$15 that was spent out-of-pocket.

5 Q. Did you obtain records from U.S. Customs and Border
6 Protection?

7 A. I did.

8 Q. What sort of records?

9 A. U.S. Customs and Border Protection or CBP, they keep
10 records of all travel going into and out of the United States.
11 So when a ticket is booked by an air carrier, within 24 or
12 48 hours that information is sent into a system that CBP has
13 access to. And then I talked to a colleague at CBP and asked
14 him to pull all the information for Dr. Xi so I could see when
15 he entered and when he exited the United States from a given
16 time period.

17 Q. And was that information provided to you?

18 A. It was.

19 Q. And did you compare flight itineraries that had been
20 submitted and reimbursement claims against entry/exit records
21 that were provided by CBP?

22 A. I did. Oftentimes I would see that on a given claim that
23 was submitted by Dr. Xi to MSU or IEEE that the claim and the
24 flight itinerary would show Dr. Xi leaving the United States or
25 coming into the United States when CBP had no record of Dr. Xi

1 being in the United States during that time.

2 Q. Did you obtain records from a business called or that had
3 been called 24/7 Limousine?

4 A. Something like that. Yes, I did.

5 Q. What kind of records were those?

6 A. Initially they provided a spreadsheet that was a data pull
7 from their database that showed all of the travel that Dr. Xi
8 had taken with this 24/7 Limo Service. Usually it indicated
9 that the service would be either from Dr. Xi's house in Okemos
10 to the Detroit airport or vice versa, from the airport back to
11 his home in Okemos.

12 Q. Had you collected numerous receipts from this business
13 that had been submitted in travel reimbursement claims?

14 A. Yes. Oftentimes the limo receipts, the 24/7 Limousine
15 receipts would be included in a travel reimbursement claim that
16 Dr. Xi would submit to MSU and IEEE.

17 Q. And comparing the company's records of services that were
18 provided against the receipts that had been submitted, did you
19 see a pattern?

20 A. I did. I saw a very similar pattern that I saw with the
21 airfare receipts. Some -- there's no question that Dr. Xi took
22 several trips with this company to and from the airport.
23 However, the documents that were submitted would have different
24 invoice numbers. The amounts would be inflated on the
25 reimbursement claims compared to what the 24/7 Limo Company

1 records showed. And then oftentimes a given invoice that was
2 submitted to MSU or IEEE would not show up at all on the
3 24/7 Limousine travel records.

4 Q. Now, you talked a little bit about Weihua Sheng who I
5 guess -- Dr. Sheng. Did you determine whether he was the
6 treasurer on conferences other than ICRA 2014?

7 A. Yes, he was.

8 Q. And did you subpoena boxes from him for receipts -- boxes
9 from him of receipts that had been submitted to him in
10 reimbursement claims from those conference accounts?

11 A. Yes.

12 Q. Did you examine the contents of those boxes?

13 A. I did.

14 Q. What sort of pattern did you see?

15 A. I saw a very similar pattern that I had seen with the
16 contents of the ICRA 2014 box. That being when I checked the
17 credit card statements and the airline records that several of
18 the receipts that I was looking at in these other conference
19 boxes, for instance, IROS 2009, would either not show up on the
20 credit card statement or the airline carrier's records or I
21 would see on the credit card statement that that ticket number
22 had been purchased and refunded in full.

23 Q. And did you find documents in those boxes that had also
24 been submitted in reimbursement claims to MSU?

25 A. I did. I saw multiple submissions to both the IEEE

1 conference that that box contained receipts for as well as
2 Michigan State University or different IEEE conferences with
3 the same receipt.

4 Q. And then did you calculate the amount of money that had
5 been paid by MSU and by IEEE to Dr. Xi based upon the documents
6 that you're describing that contained irregularities?

7 A. Yes, I did.

8 Q. And what was the combined total approximately?

9 A. The combined total was approximately \$550,000.

10 Q. Thank you.

11 MR. FRANK: Pass the witness, Your Honor.

12 THE COURT: All right. And are you going to cross
13 now or --

14 MR. SAFER: Just briefly, Your Honor. Sort of at the
15 same level.

16 THE COURT: Okay. Fair enough.

17 CROSS-EXAMINATION

18 BY MR. SAFER:

19 Q. Good morning, Special Agent Fowler.

20 A. Good morning.

21 Q. So you testified about patterns that you saw. You're
22 going to come back later and talk about specifics --

23 A. Yes.

24 Q. -- is that right?

25 A. Yes.

1 Q. So we'll chat about those specifics when you do that. But
2 I wanted to see what you did and didn't do.

3 So you had all of the airline records for Dr. Xi; is that
4 right?

5 A. I requested all of the airline records pertaining to
6 Dr. Xi, that's right.

7 Q. And you got a ton of them, correct?

8 A. I did get quite a few, yes.

9 Q. And you had all of the credit card information for Dr. Xi?

10 A. I had all of the U.S.-based credit card information for
11 Dr. Xi.

12 Q. Now, when you talked to the jury about seeing these
13 patterns, did you look at whether Dr. -- so let me back up.
14 I'm sorry.

15 So for Michigan State University you had a reimbursement
16 form that you also subpoenaed, correct?

17 A. Right.

18 Q. And you had all of those travel records?

19 A. Yes.

20 Q. And on that -- those reimbursement forms, there was a
21 purpose to the travel?

22 A. Right.

23 Q. And it said where Dr. Xi was traveling to for that
24 purpose?

25 A. Yes.

1 Q. Did you look at the travel records to see whether Dr. Xi
2 traveled to those places?

3 A. Yes. Sometimes he did travel to those places.

4 Q. And is it your testimony that for Michigan State
5 University sometimes he did not travel to those places?

6 A. I would have to look specifically at Michigan State
7 University, but what I can say for certain --

8 Q. Well, I'm asking you about Michigan State University, sir,
9 and you know that in every one of the 111 reimbursement forms
10 he traveled to the place he said he traveled, don't you?

11 A. What I can say is that the itinerary he submitted to MSU
12 was not the itinerary he flew.

13 Q. That's not the question. The question is he puts down
14 where he's going to, and you know that on all 111 packets he
15 flew to that destination.

16 A. I don't know that to be true.

17 Q. Did you examine that?

18 A. I examined several things, yes. Sometimes the flight
19 record would show he flew into Narita in Japan. I don't know
20 if he continued flight into China, for instance.

21 Q. Did you look for the specific flights that he took to get
22 to those places as to what he actually spent?

23 A. The only time I could actually see that is if the airline
24 record produced an actual document that Dr. Xi flew, and, yes,
25 I would consider that. I considered it with Lufthansa as well

1 with the around-the-world tickets.

2 Q. Okay. Good. And we'll discuss that when you discuss the
3 specific examples.

4 You started by talking about a constant stream of
5 never-ending travel and that there was airfare and then refunds
6 at times.

7 A. Yes.

8 Q. But there were remaining balances for thousands and tens
9 of thousands of airfare charges, correct?

10 A. Yes.

11 Q. And indeed you came to learn through your investigation
12 that one way to get a price on a trip is to book that flight
13 and then cancel it that same day, correct?

14 A. Right. The airlines told me they did not appreciate
15 people doing that.

16 Q. But that people did that, whether the airlines appreciated
17 it or not.

18 A. Some people did that, yes.

19 Q. And with regard to -- you said there were expensive
20 dinners you told this jury?

21 A. That's right.

22 Q. Those were -- you know that those were IEEE events,
23 weren't they?

24 A. I don't know that, no.

25 Q. Did you -- you talked to the IEEE people, didn't you?

1 A. I saw what was submitted to IEEE, but that doesn't mean
2 that that was for an IEEE event.

3 Q. So you don't know what it was for?

4 A. I think only Dr. Xi knows what it was for.

5 Q. Well, IEEE knows what it was for, don't they?

6 **MR. FRANK:** Objection, argumentative.

7 **THE COURT:** Well, it's cross-exam, and he can
8 certainly probe what this witness used or didn't use as a basis
9 for the conclusions he testified to on direct.

10 Go ahead.

11 **THE WITNESS:** I'm sorry, can you ask the question
12 again?

13 Q. (BY MR. SAFER) You know that there were -- there was
14 money spent by Dr. Xi for IEEE events at these IEEE
15 conferences, correct?

16 A. At the events, yes, I do.

17 Q. Okay. Now, with regard to -- you testified that he opened
18 bank accounts for these conferences, right?

19 A. Right.

20 Q. You know that there are two types of bank accounts that
21 can be used for conferences, right?

22 A. Yes.

23 Q. One of them is an IEEE what they call concentration bank
24 account, right?

25 A. Yes.

1 Q. And another account is an account in the conference name
2 that is not an IEEE account, correct?
3

4 A. Yes.
5

6 Q. You know that on -- from your investigation that in 90 to
7 95 percent of the foreign conferences non-IEEE accounts are
8 used by general chairs, correct?
9

10 A. I don't know that, no.
11

12 Q. You know from your investigation that every single
13 conference that Dr. Xi did, that he ran, he used an IEEE
14 concentration bank account, correct?
15

16 A. I believe that's the case, yes.
17

18 Q. One last thing. When Dr. Xi received reimbursements -- at
19 times Dr. Xi received reimbursements from other conferences,
20 right? These expense accounts you testified about.
21

22 A. He did receive, yes, payment from other conferences.
23

24 Q. And those were checks -- and he received reimbursement
25 checks, correct?
26

27 A. He received payments, yes.
28

29 Q. And those -- those checks that he received were from other
30 IEEE treasurers, right?
31

32 A. No.
33

34 Q. Who were they from?
35

36 A. They were from Weihua Sheng.
37

38 Q. On the other conferences. He received -- other
39 conferences your testimony is those were from Dr. Sheng as
40

1 well?

2 A. Yes.

3 MR. SAFER: No further questions, Your Honor.

4 THE COURT: All right. Any redirect at this time?

5 REDIRECT EXAMINATION

6 BY MR. FRANK:

7 Q. In answer to one of Mr. Safer's questions when he was
8 saying that with respect to MSU do you know whether Dr. Xi
9 always went where he told MSU he was going, you started to
10 answer and said that he didn't fly -- quite often didn't fly
11 the itineraries that he claimed to have flown. Do you want to
12 explain that a little bit?

13 A. Yes. For instance, in all of the instances that we
14 identified as fraud, the itinerary that Dr. Xi --

15 MR. SAFER: Well, I object to that characterization,
16 Your Honor.

17 THE COURT: Whose characterization, the witness or
18 the questioner?

19 MR. SAFER: When he just said he identified as fraud.

20 THE COURT: Well, you can cross-examine on that, but
21 that's the witness's response, so that's what we'll take.

22 Go ahead.

23 THE WITNESS: As I was saying, all of the identified
24 fraud instances included airfare that Dr. Xi submitted to MSU
25 that included a ticket number and a given itinerary that he

1 claimed to have flown in support of an alleged business purpose
2 for Michigan State University. When I checked those records
3 that he submitted to MSU with the airline and with the
4 credit card statements, they did not match. The ticket numbers
5 usually did not match. The itineraries didn't match.
6 Something did not match in order for us to identify that ticket
7 as fraud and that indicated it was not a genuine airfare that
8 Dr. Xi used.

9 Q. (BY MR. FRANK) But sometimes -- on more than one instance
10 you found indicators that he had -- regardless whether it was
11 the exact itinerary or something -- at about the same time that
12 he told MSU he was going somewhere he did go there?

13 A. Yes.

14 Q. Did you find more than one instance where he didn't come
15 back when he said he was going to?

16 A. Yes, I identified several instances where Dr. Xi would
17 identify a place that he would go to and he would tell I -- he
18 would tell MSU rather -- I'm flying, for instance, from Detroit
19 to Hong Kong back to Detroit, and then I would never see him
20 enter back into the United States from Hong Kong. He would
21 never return to the United States. Or vice versa. He would
22 enter the United States and say he was going back to Hong Kong
23 and I would see him go to Europe.

24 Q. So, for instance, did you see a travel claim submitted
25 in -- and correct me if I get the time period wrong -- but

1 submitted in July of 2014 --

2 *THE COURT:* Well, we're getting into specific
3 instances. I think we're going beyond the scope of your
4 original direct and the scope of cross. The whole point was
5 that this was going to be a summary overview for both sides and
6 we're going to get into the specifics later.

7 *MR. FRANK:* All right. We'll hold off on that, then,
8 Your Honor.

9 *THE COURT:* All right.

10 *Q. (BY MR. FRANK)* However, Mr. Safer also asked you about
11 this, the fact that these bank accounts, the IEEE conference
12 accounts were set up concentration as bank accounts. And the
13 defense had made a point in their opening statement that these
14 accounts were scrutinized by IEEE. Are you aware of any policy
15 at IEEE about a threshold amount that would cause them to
16 scrutinize checks?

17 *A.* Yeah. Typically --

18 *MR. SAFER:* I object, Your Honor. It's beyond the
19 scope, and IEEE should testify to that and will.

20 *MR. FRANK:* They will, but I think it's within the
21 scope --

22 *THE COURT:* Well, what did he ask in cross? You
23 referenced back to the opening statement, and that's true
24 enough, but I don't remember anything in cross that asked this
25 witness about specific check thresholds. He was talking about

1 a different account, whether it was inside or outside of IEEE.

2 *MR. FRANK:* That's right. My theory was, well, he
3 brought up concentration accounts, so --

4 *THE COURT:* Well, it's beyond the scope, and you can
5 get into that later if you re-call the witness, but I think
6 it's beyond the scope of this cross.

7 *MR. FRANK:* All right, Your Honor. That's all we
8 have on redirect now.

9 *THE COURT:* All right. Is there any recross?

10 *MR. SAFER:* No, Your Honor. Thank you.

11 *THE COURT:* All right. So you get to return to the
12 table, but you'll be back.

13 * * * * *

14 I certify that the foregoing excerpt is a correct
15 transcript from the record of proceedings in the above-entitled
16 matter.

17 I further certify that the transcript fees and format
18 comply with those prescribed by the court and the Judicial
19 Conference of the United States.

20
21 Date: June 24, 2019

22
23 /s/ **Glenda Trexler**

24
25 Glenda Trexler, CSR-1436, RPR, CRR